



OREGON HOUSE OF REPRESENTATIVES

Chair Taylor and members of the Committee,

I am writing regarding HB 4116 and my vote to advance the measure for further consideration.

I want to be candid about my position. While I voted to move the bill forward to allow additional time for refinement and discussion, I continue to have substantive concerns about the policy as currently drafted. In its present form, I do not believe the measure is ready to be enacted into law.

HB 4116 would opt Oregon out of the federal Depository Institutions Deregulation and Monetary Control Act (DIDMCA), which currently allows certain lending products to operate across state lines. Proponents argue that opting out will meaningfully curtail high-interest lending practices. However, nationally chartered banks would still be permitted to offer similar products. As such, the bill does not fully accomplish the objective its supporters articulate.

What it would do, with certainty, is reduce the number of regulated credit options available to Oregonians.

We must grapple honestly with the economic realities facing our constituents. Roughly one-third of Oregonians cannot cover a \$400 emergency expense. Many do not qualify for traditional bank loans or mainstream credit cards. For individuals with limited or damaged credit histories, short-term lending products—when properly regulated—can serve as a temporary bridge during unexpected financial emergencies.

Limiting access to regulated credit does not eliminate financial need. It reduces lawful, transparent options and increases the likelihood that vulnerable borrowers will turn to less regulated or entirely unregulated alternatives. History shows that when formal credit markets contract, informal or predatory actors often fill the vacuum.

That is not a consumer protection victory.

To be clear, I do not dismiss the concerns raised by advocates. High-cost lending products can contribute to cycles of debt, and safeguards absolutely matter. But complex financial ecosystems rarely respond well to singular policy levers. If we are going to alter Oregon's



relationship with DIDMCA, we must do so with a full understanding of the downstream effects—on credit access, small-dollar lending markets, community banks, and most importantly, working families.

I believe this issue warrants a comprehensive interim workgroup that includes consumer advocates, financial institutions, credit unions, small-dollar lenders, regulators, and community organizations. We should examine the full landscape of available credit products, default data, consumer outcomes, and alternative models implemented in other states. From that conversation, we can craft balanced policy that meaningfully protects consumers while preserving access to lawful credit.

At a time of economic uncertainty, rising household costs, and constrained state revenues, we should be cautious about reducing regulated options without a fully developed replacement framework. Good intentions alone are not sufficient public policy.

I remain committed to working with all stakeholders to develop a durable and thoughtful solution, and I respectfully urge the committee to consider a path that allows for additional deliberation and refinement before final passage.

Respectfully,



Paul L. Evans
State Representative
Oregon House of Representatives